

Rhode Island Economic Development Corporation

Enterprise Zone Council

Minutes of Meeting of March 22, 2011

RIEDC: Providence Room

315 Iron Horse Way, Suite 101

Providence, RI 02908

In attendance:

COUNCIL AFFILIATION

D. Varin Vice Chairman

B. Parsons RIEDC

M. Wood RI League of Cities and Towns

R. Caniglia The Stand Corporation

OTHER AFFILIATION

V. Barros RIEDC

J. Garrahy Moses & Afonso, LTD

K. Cosentino City of Providence

W. Clark Town of Portsmouth

A. Crisman Mt. Hope EZ

M. Godin NEEDs, Inc.

B. Griffin Statewide Planning

J. Moran City of East Providence

H. Weiss City of Pawtucket

At 10:01 Mr. Varin called the meeting the Rhode Island Enterprise Zone Council to order and noted that there was a quorum present.

The first order of business before the Council was Minutes from the January 25, 2011 meeting.

Mr. Varin asked for a motion to approved the minutes. Mr. Parsons made the motion, which was seconded by Mr. Wood. Mr. Varin asked if there was any further discussion of the motion. There being none all voted in favor, the motion was approved unanimously.

The next order of business before the Council was 2010 Recommendations for Certification.

Mr. Varin informed the Council that there was a revised report that was distributed prior to the meeting. Mr. Barros explained that the revision included five (5) additional businesses: J& & M Diamond from East Providence, Clear Carbon, Jamestown Distributors and Tri-Mack Plastic all from the Mt. Hope EZ and New England Boatworks from the Portsmouth/Tiverton EZ. He continued by stating that all nine (9) businesses appearing on the report had satisfied all of the requirements for 2010 year-end certification and as a result, staff recommended approval of all nine (9) businesses on the revised report.

Mr. Barros told the Council that he had noticed some signs of the economic recovery in the hiring patterns of EZ member businesses in 2010. There had been a slight uptick in hiring by the close of 2010. Mr. Clark said that some companies in his zone tied to the marine trades industries have started rehiring people that were let go during the depth of the recession.

Mr. Caniglia made a motion to approve the 2010 recommendations for certification. The motion was seconded by Mr. Parsons. Mr. Varin asked if there were any additional comments or questions. There being no further discussion, all voted in favor and the motion was unanimously approved.

The next order of business before the Council was 2010 Recommendation for Carry Forward Authorization.

Mr. Barros stated that there was one (1) request for 2010 carry forward authorization by Convex Technology from the Central Falls/Cumberland EZ. The company met the requirements for carry forward authorization by maintaining its employment benchmark and securing the appropriate letters of good standing. Convex actually increased its EB from 20 in 2007, to 25 in 2008 and 2009, and to 28 in 2010. As a result, staff recommended approval of the application which will be processed as a 2011 new member business. This being the first certification request of 2010, the year-to-date total was one (1).

Mr. Parsons made a motion to approve which was seconded by Mr. Wood. Mr. Varin asked if there were any additional comments or questions. There being no further discussion, all voted in favor and the motion was unanimously approved.

The next order of business before the Council was an Legislative Update.

Mr. Barros directed the Council's attention to House Bill 5494 which was submitted on behalf of the city of Pawtucket with the intent of restoring the RIEZ tax credit.

Mr. Weiss spoke in support of the bill and expressed his strong desire to see the EZ credit restored.

Mr. Weiss asked if the Council takes positions on bills that impact the program.

Mr. Wood stated that it was his opinion that the Council does not take positions on bills or legislative issue; the Council is an administrative body charged with promulgating rules of the program as they exist.

Mr. Garrahy added that the Council is an administrative entity with a specific charge of administering the rules of procedure of the RIEZ program.

A general discussion ensued as to the role of the Council in advocating for or against a specific bills or legislation that impacts the program.

Mr. Weiss and Mr. Clark gave an update on the hearing that took place in House Finance on this bill.

Mr. Barros next directed the Council's attention to House Bill 5081 which seeks to add a second exception to the wage test for overtime wages.

He next directed the Council's attention to the last bill, House Bill 5139 which repeals the provision of the law that prohibits cities and towns to permit real estate exemptions or stabilization for businesses relocating from one city or town to another in the state.

The next order of business before the Council was Other Business

Mr. Varin directed the Council's attention to the PBN article on the EZ entitled, Businesses lose enterprise zone tax credit.

A general discussion ensued about the content, messaging and overall accuracy of the article.

Mr. Griffin announced the Bill McKenna was retiring from DOA on April 30, 2011.

Mr. Varin asked why there had not been any representation from taxation.

Mr. Barros said that he wasn't sure why other than a staff shortages in the agency.

Mr. Caniglia asked if they are being kept informed and should the Council inquiry as to their future participation on the Council.

Mr. Barros assured the Council that all materials were being sent to the representative from taxation and that he would inquire as to their lack of attendance.

Mr. Varin asked for a motion to adjourn. Mr. Parsons made the motion. The motion was seconded by Mr. Wood. Mr. Varin asked if there was any further business to come before the Council. There being none, all voted unanimously in favor of the motion.

Rhode Island Economic Development Corporation

Enterprise Zone Council

Minutes of Meeting of April 26, 2011

RIEDC: Providence Room

315 Iron Horse Way, Suite 101

Providence, RI 02908

In attendance:

COUNCIL AFFILIATION

D. Varin Vice Chairman

M. Wood RI League of Cities and Towns

D. Langley Urban League of RI

R. Caniglia The Stand Corporation

OTHER AFFILIATION

V. Barros RIEDC

J. Garrahy Moses & Afonso, LTD

K. Cosentino City of Providence

W. Clark Town of Portsmouth

J. Moran City of East Providence

F. Presley West Warwick

L. DiBoni Cranston

At 10:10 Mr. Varin called the meeting the Rhode Island Enterprise Zone Council to order and noted that there was a quorum present.

The next order of business before the Council was 2011 Recommendations for Membership.

Mr. Barros stated that there were two (2) businesses being presented

for 2011 membership, both businesses had successfully completed membership applications. Those applications were reviewed by the appropriate local point of contact and by EDC staff; as a result, both business were recommended for approval bring the year-to-date total to three (3) new EZ member businesses for 2011.

Mr. Garrahy asked if Swiple was an s-corporation?

Mr. Barros did not have that information readily available. He said that he would include the business type on all membership reports going forward.

Mr. Langley asked what BioProcess Algae LLC did?

Mr. Clark stated that it was a segment of another company, BioProcessing H2O, which is a waste water treatment company, and this company grows the algae from the waste water treatment business for biofuel usage.

Mr. Langley made a motion to approve the 2011 recommendations for membership. The motion was seconded by Mr. Caniglia. Mr. Varin asked if there were any additional comments or questions. There being no further discussion, all voted in favor and the motion was unanimously approved.

The next order of business before the Council was 2010 Recommendations for Certification.

Mr. Barros stated that there were thirty seven (37) businesses being presented for 2010 year-end certification and that all of the business had satisfied the requirements for year-end certification; as a result, staff recommended approval of all thirty seven (37) businesses bring the year-to-date total to forty six (46) businesses resulting in two hundred and fourteen (214) new full-time jobs created in 2010.

Mr. Clark asked about Whittet-Higgins growth in 2010 and to its accuracy.

Mr. Barros stated that because he generated the report manually, as opposed to being generated by the database, the new hire figure for 2010 could be a typographical error and that he would look into it.

Mr. Wood suggested the Council approve the recommendations subject to staff's verification of this company's 2010 new hires for Whittet-Higgins.

Mr. Varin asked for a motion to approve the 2010 recommendations for certification subject to the verification. Mr. Caniglia made the motion which was seconded by Mr. Langley. Mr. Varin asked if there was any further discussion. There being no further discussion, all

voted in favor and the motion was unanimously approved.

Mr. Langley asked about Stepstone Hospitality which was incorrectly listed on the report as Stepstone Hospital.

Mr. Barros stated that the company is a hotel management company and should be listed as Stepstone Hospitality.

Mr. Langley asked if those hotel jobs were subject to a minimum wage requirement.

Mr. Barros stated that the EZ program has no minimum wage requirement other than the state and federal minimum wage requirements but that there had been ample discussion in the past about instituting one similar to the 150% of minimum wage requirement attached to state job training grants and credits.

Mr. Caniglia suggested that the zone residents be represented as a percentage as oppose to a straight numerical figure.

The next order of business before the Council was 2010 Carry Forward Authorization

Mr. Barros stated that there was one (1) business being presented for 2010 carry forward authorization and the business, Island Child Care, had satisfied all of the requirements for this authorization; as a result,

staff recommended approval of the business.

Mr. Diboni asked how the change in the tax law impacts carry forwards.

Mr. Barros stated the going forward for 2011 certification only c-corps will be eligible for the carry forward provision.

Mr. Varin asked for a motion to approve the 2010 request of carry forward authorization. Mr. Langley made the motion which was seconded by Mr. Wood. Mr. Varin asked if there was any further discussion. There being no further discussion, all voted in favor and the motion was unanimously approved.

The next order of business before the Council was Other Business

Mr. Barros gave a brief update on 2011 enterprise zone legislation. He stated the Jim Moran had send a letter of support for the EZ legislation to all of the East Providence general assembly members.

Mr. Clark stated that it was his understanding that many bills have stalled in committee because of the focus on the budget and that many of these bills will start to move sometime in late May to early June. He also talked about a conversation that he had with Rep. Gallison about restoring the EZ credit through a budget articles.

Mr. Garrahy stated that you can change the law with a budget article and that a budget article does supersede the law.

Mr. Langley suggested that the EZ program should work more closely with state on-the-job training programs.

Mr. Varin asked for a motion to adjourn. Mr. Wood made the motion. The motion was seconded by Mr. Langley. Mr. Varin asked if there was any further business to come before the Council. There being none, all voted unanimously in favor